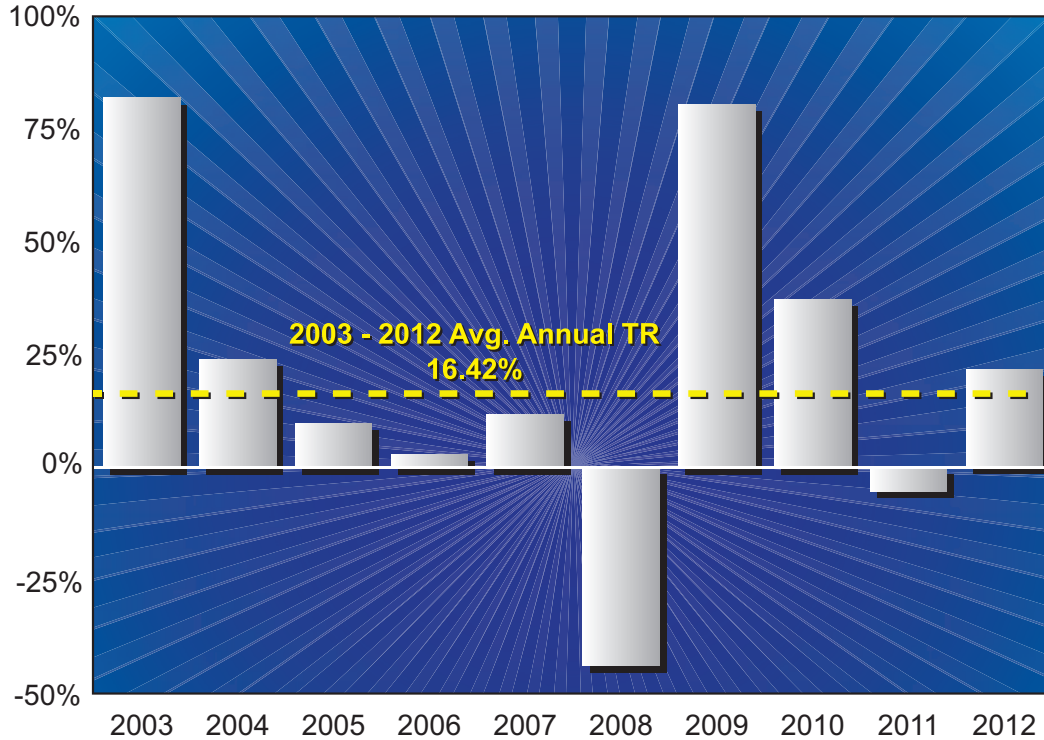


# From Revolution To Evolution

## Dow Jones Internet Composite Index (Total Returns)



Source: Bloomberg. Past performance is no guarantee of future results.

### View from the Observation Deck

1. The Internet revolution transitioned into more of an evolutionary process after the tech-bubble in the stock market burst in 2000, in our opinion.
2. Revolution is defined as a sudden, extreme, or complete change in the way people live and/or work. Evolution is a process of slow change and development. Both apply to the Internet.
3. When the backbone of the Internet was being built in the second half of the 1990s the introduction of high-tech communications equipment seemed sudden and extreme.
4. Investors thought so as well. The Dow Jones Internet Composite Index posted total returns of 168.38% and 167.29%, respectively, in 1998 and 1999, according to Bloomberg. Those aren't normal returns.
5. While still having the ability to generate the occasional outsized return, as evidenced by the 80.27% rebound from the financial crisis in 2009, we believe that the Internet is accelerating its maturation process.
6. In a little over a decade the Internet experience has evolved from dial-up speeds in the home to 3G & 4G mobile wireless broadband to cloud computing, and we suspect there is more innovation to come.
7. Internet connectivity has room to grow. In the U.S. alone, 30% of households still do not have broadband access, according to the Pew Research Center. Speed enhances the Internet experience.
8. The Internet plays such an integral role in most of our daily lives that we believe investors should consider giving Internet stocks at least a small role in their investment portfolios.

*This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The Dow Jones Internet Composite Index is a modified capitalization-weighted index that tracks companies involved in Internet-related activities.*